

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
CAPITAL POST-CONVICTION PROJECT OF LOUISIANA
DECEMBER 31, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAY 23 2012**

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS:	
STATEMENTS OF FINANCIAL POSITION	4
STATEMENTS OF ACTIVITIES	5
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	14
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	16
SCHEDULE OF PRIOR YEAR FINDINGS	17
MANAGEMENT'S CORRECTIVE ACTION PLAN	18

PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Capital Post-Conviction Project of Louisiana

We have audited the accompanying statement of financial position of Capital Post-Conviction Project of Louisiana (a non-profit organization) as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Capital Post-Conviction Project of Louisiana as of December 31, 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 03, 2012, on our consideration of Capital Post-Conviction Project of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Pailet, Meunier and LeBlanc, LLP

Metairie, Louisiana
May 03, 2012

3421 N. Causeway Blvd., Suite 701 • Metairie, LA 70002 • Telephone (504) 837-0770 • Fax (504) 837-7102
201 St. Charles Ave., Suite 2500 • New Orleans, LA 70170 • Telephone (504) 599-5905 • Fax (504) 837-7102
www.pmlcpa.com

Member of

IGAF POLARIS - A Global Association of Independent Firms • PCAOB - Public Company Accounting Oversight Board
AICPA: Center for Public Company Audit Firms (SEC) • Governmental Audit Quality Center • Private Companies Practice Section (PCPS)

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2011

ASSETS

Current Assets

Cash and Cash Equivalents	\$	326,085
Grants Receivable		266,667
Prepaid Expenses		<u>5,312</u>
Total Current Assets		<u>598,064</u>

Property and Equipment

Equipment and Furniture		177,371
Less: Accumulated Depreciation		<u>(168,056)</u>
Total Property and Equipment		<u>9,315</u>

Other Assets

Security Deposits		<u>1,852</u>
Total Other Assets		<u>1,852</u>

Total Assets	\$	<u>609,231</u>
--------------	----	----------------

LIABILITIES AND NET ASSETS

Current Liabilities

Payroll Taxes Payable	\$	<u>14,888</u>
Total Current Liabilities		<u>14,888</u>

Contingencies

Net Assets

Unrestricted		<u>594,343</u>
--------------	--	----------------

Total Liabilities and Net Assets	\$	<u>609,231</u>
----------------------------------	----	----------------

See accountant's report and notes to financial statements.

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2011

UNRESTRICTED NET ASSETS

Unrestricted Revenues	
Government Grants	<u>\$ 1,953,000</u>
Total Unrestricted Revenues	<u>1,953,000</u>
Expenses	
Program Services	3,005,319
Supporting Services	<u>163,171</u>
Total Expenses	<u>3,168,490</u>
Decrease in Unrestricted Net Assets Before Other Income	<u>(1,215,490)</u>
Other Income	
Interest Income	<u>190</u>
Total Other Income	<u>190</u>
Increase(Decrease) in Unrestricted Net Assets	(1,215,300)
Net Assets at Beginning of Year	<u>1,809,643</u>
Net Assets at End of Year	<u>\$ 594,343</u>

See accountant's report and notes to financial statements.

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2011

	Total	Program Services	Supporting Services
Salaries & Wages	\$ 996,946	\$ 897,251	\$ 99,695
Payroll Taxes	77,818	70,036	7,782
Fringe Benefits	155,399	139,859	15,540
Grants to Others	290,264	290,264	-
Expert Witness Fees	9,197	9,197	-
Investigator Fees	129,138	129,138	-
Case Expenses - General	18,989	18,989	-
Pro Bono Expert Witness Fees	1,240,390	1,240,390	-
Accounting/Audit Fees	19,500	-	19,500
Computer Consultant	38,194	34,375	3,819
Occupancy	94,318	84,886	9,432
Telephone	14,880	13,392	1,488
Depreciation	9,071	9,071	-
Computer Expenses	23,481	21,133	2,348
Office Expenses	26,590	23,931	2,659
Publications	5,378	5,378	-
Conferences and Meetings	668	668	-
Continuing Education/Dues	9,187	9,187	-
Insurance Expense	9,082	8,174	908
Total Expenses	<u>\$ 3,168,490</u>	<u>3,005,319</u>	<u>\$ 163,171</u>
Percentage of total expenses		0.95 %	0.05 %

See accountant's report and notes to financial statements.

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (Decrease) in Net Assets	<u>\$ (1,215,300)</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	9,071
(Increase) decrease in operating assets:	
Grants Receivable	1,378,500
Increase (decrease) in operating liabilities:	
Grants Payable	(71,894)
Payroll Taxes Payable	<u>(384)</u>
Total adjustments	<u>1,315,293</u>
Net cash provided (used) by operating activities	<u>99,993</u>
Net increase (decrease) in cash and equivalents	99,993
Cash and equivalents, beginning of year	<u>226,092</u>
Cash and equivalents, end of year	<u>\$ 326,085</u>

See accountant's report and notes to financial statements.

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2011

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Capital Post-Conviction Project of Louisiana (the Organization) is a non-profit corporation organized exclusively for charitable, scientific and educational purposes, including, but not limited to, providing legal representation to indigent persons in Louisiana under the sentence of death, and to providing consultation services, educational materials, and seminars to lawyers who represent indigent persons facing or under a sentence of death.

The Organization is supported primarily through government contracts and private grants and does not engage in fundraising activities.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Any other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. At December 31, 2011 the Organization had no temporarily or permanently restricted net assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements for Not-for-profit Entities*. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. For the year ending December 31, 2011, there were no temporarily restricted or permanently restricted net assets.

The statement of activities presents expenses of the Organization's operations functionally between program measurement, and management and general. Those expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2011

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

It is the Organization's policy to capitalize property and equipment with an expected life of three or more years and a cost of \$500 or more. Property and equipment are depreciated using the straight-line method over a five to ten year depreciable life.

Contributions

The Organization has adopted FASB ASC No. 958-605-25-2, *Accounting for Contributions Received*. All unconditional contributions are to be measured at fair market value on the date received and be recognized currently as revenue or gains.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

NOTE B - FINANCIAL ASSISTANCE

State of Louisiana Contracts

The Organization has been awarded grants from the Louisiana Public Defenders Board (LPDB) to be used exclusively to defray the expenses of establishing and maintaining a capital post-conviction office, including contract amounts for attorneys, staff, office expenses, overhead and out-of-pocket expenses. The Funds from these grants are not intended to defray, in whole or in part, the expenses associated with any trial or appeal as of right filed by or on behalf of a defendant sentenced to death. The scope of the contracts does not include litigation or proceedings arising out of or involving tort or worker's compensation.

For the year ended December 31, 2011, the following LPDB agreements are reflected in the financial statements:

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2011

NOTE B - FINANCIAL ASSISTANCE (CONTINUED)

State of Louisiana Contracts (Continued)

Contract Period July 1, 2010 through June 30, 2011

Capital Post-Conviction Project of Louisiana received a grant in the amount of \$2,306,000 with a contingency to receive up to an additional \$23,756. During the year ended December 31, 2010, the entire amount of the original contract was recorded as income. The grant was paid in monthly installments from July through December, 2010, and the remaining balance of \$1,153,000 was received in monthly installments from January through June, 2011.

Contract Period July 1, 2011 through December 31, 2011

Capital Post-Conviction Project of Louisiana received a grant in the amount of \$1,153,000. During the year ended December 31, 2011, the entire contract amount was recorded as income and received in monthly installments from July through December, 2011.

Contract Period July 1, 2010 through June 30, 2011 - Pro Bono Grant

Capital Post-Conviction Project of Louisiana received a grant in the amount of \$800,000 for post-conviction services on behalf of indigents in Louisiana. During the year ended December 31, 2010, the entire amount of the original contract was recorded as income. The grant was paid in monthly installments from July through December, 2010, and the remaining balance of \$300,000 was received in monthly installments from January through June, 2011.

Contract Period July 1, 2011 through June 30, 2012 - Pro Bono Grant

Capital Post-Conviction Project of Louisiana received a grant in the amount of \$800,000 for post-conviction services on behalf of indigents in Louisiana. Incremental payments were received from July through December, 2011 of \$533,333. The remaining balance of \$266,667 is shown on the Statement of Financial Position as Grants Receivable.

The Pro Bono Grants shall be used exclusively by the Capital Post-Conviction Project of Louisiana to:

- a) Review and take action upon applications to the LPDB by indigents not represented by Capital Post-Conviction Project of Louisiana for funding of reasonably necessary ancillary services associated with legal representation of indigents seeking post-conviction relief of a capital conviction in Louisiana. Capital Post-Conviction Project of Louisiana, using the *ABA Guidelines for the Appointment and Performance of Defense Counsel in Death Penalty Cases* (2003) for evaluation, shall take action upon an application for funding within 30 days of receipt of the application either by approval of the application, denial of the application, or by the request of additional information regarding the application. Should Capital Post-Conviction Project of Louisiana request additional information from the applicant, Capital Post-Conviction Project of Louisiana shall take action by approval or denial of the application within 30 days of the receipt of the additional information requested; and

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2011

NOTE B - FINANCIAL ASSISTANCE (CONTINUED)

State of Louisiana Contracts (Continued)

b) Provide funding of reasonably necessary services of expert witnesses, costs of specialized scientific testing, and/or other ancillary services associated with legal representation of indigents not represented by Capital Post-Conviction Project of Louisiana seeking post-conviction relief of a capital conviction in Louisiana upon approval of hereinafter mentioned applications.

The scope of these Pro Bono grants does not include litigation or proceedings arising out of or involving tort or worker's compensation.

NOTE C - GRANTS TO OTHERS

For the year ended December 31, 2011, the following agreements are reflected in the financial statements:

Center for Equal Justice - General Contract (July 1, 2010 through June 30, 2011)

Capital Post-Conviction Project of Louisiana entered into a contract agreement with the Center for Equal Justice to provide \$100,000 for legal representation in state post-conviction proceedings for indigent death-sentenced individuals in Louisiana. This contract is for the period July 1, 2010 through June 30, 2011.

The entire contract amount was recorded in 2010, and the balance was paid in full.

NOTE D - CASH AND EQUIVALENTS

At December 31, 2011 the Organization had cash and cash equivalents (book balances) totaling \$326,085 in Demand Deposits. These deposits are stated at cost, which approximates market. As of December 31, 2011, the Organization had \$352,241 in deposits (collected bank balances). These deposits were secured by \$250,000 in Federal Deposit Insurance and \$447,603 in Pledged Securities.

NOTE E - PROPERTY AND EQUIPMENT

As of December 31, 2011, the Organization had property, plant, and equipment and depreciation as follows:

Equipment and Furniture	\$ 177,371
Accumulated Depreciation	<u>168,056</u>
Total Property and Equipment	<u>\$ 9,315</u>
Depreciation Expense	<u>\$ 9,071</u>

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2011

NOTE F - DESCRIPTION OF LEASING ARRANGEMENTS

UCI Communications

The Organization is a party to an agreement with UCI Communications (Formerly New South Communications) for network services. The term of the lease was for two years, expiring in February, 2006. Upon expiration of the minimum term commitment, the agreement automatically renewed on a month-to-month basis until 30-day notice of termination by either party is given.

Gulf Coast Office Products

The Organization is party to various leases with Gulf Coast Office Products for the lease of digital copiers/scanners. The terms of the leases is for five years, with varying expiration dates. Upon expiration of the minimum term commitment, Capital Post-Conviction Project of Louisiana will have the option to purchase the equipment at its then fair market value.

Minimum lease payments are as follows:

2012	\$	9,231
2013		9,231
2014		3,846
Thereafter		-
Total	\$	<u>22,308</u>

Dovie Consulting

A twelve month agreement was entered into with Dovie Consulting, on July 01, 2007, for computer consulting services. After the term of the lease expired, both parties agreed to continue on a month to month basis. Dovie Consulting will provide 34 hours of computer service per month at a rate of \$2,550 per month. All additional hours will be billed at a flat fee of \$125 per hour.

Nuvox Communications

An amended agreement was entered into with Nuvox Communications, on October 5, 2009, for phone services. This is a three year agreement expiring on December 31, 2014.

Minimum lease payments are as follows:

2012	\$	6,798
2013		6,798
2014		6,798
Thereafter		-
Total	\$	<u>20,394</u>

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2011

NOTE F - DESCRIPTION OF LEASING ARRANGEMENTS(CONTINUED)

Lease with Continental REGIS Property Management, LLC

The Organization amended their lease with REGIS Property Management, LLC in February of 2007 for office space when they moved to a different floor. The terms of the lease have been amended to extend through January 31, 2017. The monthly rent is \$8,782.

Minimum payments under the lease are as follows:

2012	105,384
2013	105,384
2014	105,384
2015	105,384
2016	105,384
Thereafter	8,782
Total	<u>\$ 526,920</u>

NOTE G - 401(K) PLAN

The Organization became a participant in the ABA Members Retirement Program with an effective date of January 1, 2003. Eligible employees were allowed to make deferred compensation contributions to the plan beginning in 2003, and there were no employer contributions made during the year. All employees who have attained the age of 21 are allowed to participate.

The ABA conducted discrimination testing on the plan, and reported full compliance for the years ended December 31, 2011.

NOTE H - CONCENTRATION OF SUPPORT

The Organization receives a substantial amount of their revenue from government grants. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's ability to fulfill their programs. Approximately 99.99% of the organization's support for the year ended December 31, 2011 came from governmental grants.

NOTE I - SUBSEQUENT EVENTS

FASB Accounting Standards Codification Topic 855, "Subsequent Events" addresses events which occur after the balance sheet date but before the issuance of financial statements. An entity must record the effects of subsequent events that provide evidence about conditions that existed at the balance sheet date and must disclose but not record the effects of subsequent events which provide evidence about conditions that existed after the balance sheet date. Additionally, Topic 855 requires disclosure relative to the date through which subsequent events have been evaluated and whether that is the date on which the financial statements were issued or were available to be issued. Management evaluated the activity of Capital Post-Conviction Project of Louisiana through May 03, 2012, the date the financial statements were issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the Notes to the Financial Statements.

PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Capital Post-Conviction Project of Louisiana

We have audited the financial statements of Capital Post-Conviction Project of Louisiana as of and for the year ended 2011, which collectively comprise the Company's basic financial statements and have issued our report thereon dated May 03, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Capital Post-Conviction Project of Louisiana's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control. [11-01.] A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

3421 N. Causeway Blvd., Suite 701 • Metairie, LA 70002 • Telephone (504) 837-0770 • Fax (504) 837-7102
201 St. Charles Ave., Suite 2500 • New Orleans, LA 70170 • Telephone (504) 599-5905 • Fax (504) 837-7102

www.pmlcpa.com

Member of

IGAF POLARIS - A Global Association of Independent Firms • PCAOB - Public Company Accounting Oversight Board
AICPA: Center for Public Company Audit Firms (SEC) • Governmental Audit Quality Center • Private Companies Practice Section (PCPS)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Capital Post-Conviction Project of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This communication is intended solely for the information and use of management, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Paillet, Meunier and LeBlanc, LLP

Metairie, Louisiana
May 03, 2012

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

SECTION I –SUMMARY OF AUDITOR’S RESULTS

- A. Control deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements: No. Material weaknesses: No.
- B. Noncompliance which is material to the financial statements: No
- C. Control deficiencies in internal control over major programs: N/A.
Material weaknesses: N/A .
- D. The type of report issued on compliance for major programs: N/A.
- E. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-13: N/ A
- F. Major programs: N/A.
- G. Dollar threshold used to distinguish between Type A and Type B programs: N/A.
- H. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: N/A.
- I. A management letter was issued: No

SECTION II – FINANCIAL STATEMENT FINDINGS

11-01 Accounting Personnel

As part of the audit, Paillet, Meunier and LeBlanc, LLP has prepared a draft copy of the Organization's financial statements on the Organization's behalf and has provided a copy for their approval prior to issuance of the financial statements. This is primarily due to their reliance on us for this expertise, which could imply that management does not possess the skills and knowledge necessary to prepare financial statements that are in accordance with generally accepted accounting principles, including all significant footnote disclosures.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011**

**SECTION I – INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO THE FINANCIAL STATEMENTS**

10-01 Accounting Personnel

As part of the audit, Paillet, Meunier and LeBlanc, LLP has prepared a draft copy of the Organization's financial statements on the Organization's behalf and has provided a copy for their approval prior to issuance of the financial statements. This is primarily due to their reliance on us for this expertise, which could imply that management does not possess the skills and knowledge necessary to prepare financial statements that are in accordance with generally accepted accounting principles, including all significant footnote disclosures.

Current Status - Not resolved. Capital Post-Conviction Project of Louisiana does not have the necessary personnel to prepare financial statements that are in accordance with generally accepted accounting principles, including all significant footnote disclosures. Due to the costs associated with hiring such personnel, Capital Post-Conviction Project of Louisiana will continue to rely on outside expertise until such funding to hire the necessary personnel is approved.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2011**

11-01 Accounting Personnel

Capital Post-Conviction Project of Louisiana does not have the necessary personnel to prepare financial statements that are in accordance with generally accepted accounting principles, including all significant footnote disclosures. Due to the costs associated with hiring such personnel, Capital Post-Conviction Project of Louisiana will continue to rely on outside expertise until such funding to hire the necessary personnel is approved.

PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants

Mr. Gary Clements, Executive Director
Capital Post-Conviction Project of Louisiana
1340 Poydras Street, Suite 1700
New Orleans, LA 70112

We have audited the financial statements of Capital Post-Conviction Project of Louisiana for the year ended December 31, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 03, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Capital Post-Conviction Project of Louisiana are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2011. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of depreciation is based on estimated service lives. We evaluated the key factors and assumptions used to develop the depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

3421 N. Causeway Blvd., Suite 701 • Metairie, LA 70002 • Telephone (504) 837-0770 • Fax (504) 837-7102
201 St. Charles Ave., Suite 2500 • New Orleans, LA 70170 • Telephone (504) 599-5905 • Fax (504) 837-7102

www.pmlcpa.com

Member of

IGAF POLARIS - A Global Association of Independent Firms • PCAOB - Public Company Accounting Oversight Board
AICPA: Center for Public Company Audit Firms (SEC) • Governmental Audit Quality Center • Private Companies Practice Section (PCPS)

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 03, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of management and Board of Directors of Capital Post-Conviction Project of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Paillet, Meunier and LeBlanc, LLP